

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: )  
W.R. Grace & Co., et al.<sup>1</sup> ) Chapter 11  
Debtors. ) Case No. 01-1139 (JKF)  
 ) Jointly Administered  
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**REBUTTAL WITNESS DISCLOSURE OF  
WILLIAM G. HUGHSON, M.D., D. PHIL. PURSUANT  
TO FEDERAL RULE OF CIVIL PROCEDURE 26(A)(2)**

I submit this report, on behalf of W.R. Grace & Co., et al. ("Debtors"), in rebuttal to the expert reports of Dr. Henry A. Anderson and Dr. Laura S. Welsh which were submitted by the Property Damage Asbestos Claimants Committee in December, 2005.

<sup>1</sup> The Debtors of the following 62 entities: W.R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W.R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc. Coalgrace II, Inc., Creative Food-N-Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston, Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.) G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B, Inc., Grace A-B II, Inc. Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc., (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W.R. Grace Capital Corporation, W.R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holdings, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

I have been provided with and have reviewed the expert's reports of Drs. Anderson and Welsh. In general, I disagree with their reports insofar as they are inconsistent with the opinions and views expressed in my report and insofar as they opine on medical opinions not addressed in my report. In addition, I note that Drs. Anderson and Welsh rely on numerous studies (and make numerous observations) that have absolutely nothing to do with dust sampling.

Beyond that, but without limiting the matters on which my opinions differ from those set forth in their reports, I want to address here two specific opinions offered by Drs. Anderson and Welsh, namely, (1) the opinion that "asbestos exposure is the only generally accepted cause [of mesotheliomas] in humans" (see, Dr. Anderson report at 3 and 7) and (2) the opinion that "asbestos fibers less than 5 um in length are carcinogenic" (see Dr. Welsh report at 5). Based on my education, training, experience and familiarity with the peer-reviewed medical literature on asbestos-related diseases, I disagree with these opinions. Rather, it is my opinion that (1) asbestos exposure is not the only generally accepted cause of mesothelioma and (2) there is no credible epidemiological evidence in the peer-reviewed medical literature that asbestos fibers less than 5 um in length are carcinogenic.

Asbestos exposure is not the only generally accepted cause of mesothelioma. A number of other causes of mesothelioma have been recognized, including radiation, simian virus 40 and chronic inflammation. In addition, approximately 25% of mesotheliomas in men and approximately 90% of mesotheliomas in women are idiopathic. That is, cases for which no cause has been identified because the recognized causes (such as asbestos exposure, radiation, simian virus 40 and the like) have not been identified. Given the other recognized causes of mesothelioma and the significant percentage of mesothelioma cases that are idiopathic, the opinion that asbestos exposure is the only generally recognized cause of mesothelioma is erroneous.

The peer-reviewed medical and scientific literature does not support the opinion that asbestos fibers less than 5 um in length are carcinogenic. In the absence of such data, it is erroneous to conclude that asbestos fibers less than 5 um are carcinogenic. To the contrary, the consensus in the medical and scientific literature is that fibers less than 5 um are not

carcinogenic, and the limit for humans is probably closer to 10 um. This is the long-established and widely-recognized Stanton Hypothesis. Regulatory agencies, including OSHA, have acknowledged the Stanton Hypothesis in promulgating regulations applicable only to fibers greater than 5 um in length. In this regard, the "tissue burden studies" cited by Dr. Anderson (see Anderson report at 6) are not credible evidence that short fibers are carcinogenic.

William G. Hughson  
William G. Hughson, M.D., D. Phil.

Jan 18, 2006.